



Staff Report

Agenda Item: **RESOLUTION PROVIDING FOR THE DEPOSIT OF ACTIVE AND INACTIVE TOWN FUNDS** – Discussion and consideration of Resolution #1334 a Resolution providing for the deposit of active and inactive Town funds.

Staff Contact: Kathy Bainbridge, Town Clerk/Finance Director

Meeting Date: May 25, 2010

Background: Currently, the Town holds all funds that are not in their checking account in the State of Arizona's Local Government Investment Pool. At this time, the LGIP 30 day annual yield is at .06%. In an effort to find better rates for our savings, Notice of Bids for an interest bearing savings account were sent out to 5 banks and 2 credit unions in Cottonwood based on the requirements in A.R.S.35-323. Bids were required to be returned by May 11, 2010. Two bids were returned, one from Wells Fargo Bank N.A. and one from the National Bank of Arizona. Comparison based upon the yields only proposed in the returned bids and the yield on the \$5,072,644 currently at the LGIP are:

LGIP 30 day Yield	LGIP Annual Earnings	Wells Fargo 30 Day Yield	Wells Fargo Annual	National Bank 30 Day Yield	National Bank AZ Annual Earnings
.06%	\$3,043	.50%	\$25,632	.20%	\$10,145

Along with Wells Fargo bidding the highest yield return, they also will provide a Depository Pledge Agreement to cover all uninsured funds and have waived monthly and additional service fees.

Recommendation: To approve Resolution #1334, a Resolution providing for the deposit of active and inactive Town funds.

RESOLUTION NO. 1334

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF CLARKDALE PROVIDING FOR THE DEPOSIT OF ACTIVE AND INACTIVE TOWN FUNDS.

WHEREAS, provisions of A.R.S.35-323 governs the investment of Town funds in excess of \$100,000;
and

WHEREAS, as required in A.R.S. 35-323, Notice of Bid was delivered to banking establishments in the City of Cottonwood and returned to the Town Finance Director by the May 11, 2010 deadline date established by the Notice of Bid; and

WHEREAS, the bids were received from the National Bank of Arizona and Wells Fargo Bank, N.A. and are attached in their entirety; and

WHEREAS, A.R.S. 35-323 requires that the deposit be awarded to the highest bidder and that prior to any transfer of funds, there shall be delivered collateral to at least one hundred one percent of the deposit.

NOW THEREFORE BE IT RESOLVED by the Town Council of the Town of Clarkdale, as follows:

Section 1. INVESTMENT OF TOWN FUNDS OVER \$100,000

- A. The Town Finance Director shall award the deposit of funds into an interest bearing savings account at Wells Fargo Bank N.A. as established by bid to offer the highest rate of interest commensurate with the safety of such deposit.
- B. The Town Council reserves the right through its Finance Director to reject any and all bids.

PASSED AND ADOPTED BY THE Mayor and Council of the Town of Clarkdale, this 25th day of May, 2010.

APPROVED this 25th day of May, 2010, by the affirmative vote of three fourths of the members of the Common Council of the Town of Clarkdale, Arizona.

Mayor

ATTEST:

Town Clerk



ORIGINAL

Response to:
The Town of Clarkdale
for
Interest Bearing Savings Account

Submitted by:
Wells Fargo Bank, N.A.

Due Date:
Tuesday, May 11th, 2010, at 5:00 P.M.

*Tony Hannigan
Relationship Manager
Government Banking Division*

*Patricia Cusick Tanabe
VP/Business Banking Manager
Government Banking Division*

*Wells Fargo Bank, N.A.
100 West Washington
13th Floor, MAC #S4101-134
Phoenix, AZ 85003
Ph: 602-378-3772
Fax: 602-378-2133
anthony.b.hannigan@wellsfargo.com*

*Wells Fargo Bank, N.A.
100 West Washington
13th Floor, MAC #S4101-134
Phoenix, AZ 85003
Ph: 602-378-1286
Fax: 602-378-2133
tanabepc@wellsfargo.com*

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Wells Fargo Bank, N.A



Letter of Interest





Tony Hannigan
AVP/Relationship Manager
Wells Fargo Bank, N. A.
Government Banking Division
(602) 378-3772
Fax (602) 378-2133

May 11, 2010

Kathy Bainbridge, Town Clerk/Finance Director
Town of Clarkdale
P.O. Box 308
Clarkdale, Arizona 86324

Re: NOTICE OF BID BY THE TOWN OF CLARKDALE TO FINANCIAL INSTITUTIONS

Dear Kathy Bainbridge:

Wells Fargo Bank, N.A. is pleased to submit its response to the Town of Clarkdale Notice of Bid for Interest Bearing Savings Accounts. We welcome the opportunity to present to you our capabilities in this comprehensive format. The enclosed response provides a complete package of commercial depository services, treasury management services.

Wells Fargo Bank, N.A. is a federally chartered bank and a member of the FDIC. Your banking relationship will be handled by our Government Banking Division, a group organized over 13 years ago to exclusively handle the needs of organizations such as the Town of Clarkdale. I will serve as your Relationship Manager, and will work closely with a professional banking team from throughout Wells Fargo to provide excellence in banking services. An organization chart for all of the team members assigned to Town of Clarkdale relationship is enclosed, as well as resumes for your review. Wells Fargo Bank, N.A., from Gerrit Van Huisstede, our Regional President, as well as all of our Arizona team members, is deeply committed to performing the duties that you have requested in this proposal.

As a Relationship Manager of the bank, I am entitled to represent Wells Fargo Bank, N.A., empowered to submit this bid, and authorized to sign a contract with the Town of Clarkdale. Should you have any questions regarding the enclosed information, do not hesitate to contact me at (602) 378-3772. Thank you for the opportunity to provide a proposal for an Interest Bearing Savings Account to one of the finest Town's in the United States.

Sincerely Yours,

A handwritten signature in black ink, appearing to be "Tony Hannigan", written over a horizontal line.

Tony Hannigan
AVP/Relationship Manager

Wells Fargo Bank, N.A



About Wells Fargo's Government Banking Division



About Wells Fargo's Government Banking Division

WELLS
FARGO

Wells Fargo's Government Banking Division offers Arizona counties, cities and towns, school districts, charter schools, universities, community colleges, state and federal agencies a full array of banking products and services, no matter what the needs. We offer:

- ❖ Full service depository products
- ❖ Warrant processing & warrant registration services
- ❖ Cash management services designed to meet cash control needs and increase productivity - all with the ease of electronic banking and more!
- ❖ Lending services including lines of credit, equipment finance & leasing
- ❖ Trust, pension, retirement planning and complete administration services
- ❖ Bankcard, merchant card, and procurement card services
- ❖ Investment services
- ❖ Payroll services
- ❖ Internet banking services
- ❖ Public finance
- ❖ Insurance
- ❖ Special banking programs for employees - from checking to pension plans, mortgage and more!
- ❖ Dedicated client services group - responsive, customer service staff to support accounts.

Wells Fargo is committed locally to work with government entities by offering the industry's best bankers who deliver superior customer service and technologically advanced products and services. The Government Banking Division at Wells Fargo is backed by a team of professionals committed to serving your needs.

Pat Cusick Tanabe, is Vice President and Business Banking Manager of the Government Banking Division for Wells Fargo Bank, N.A. She is a respected 32 year veteran in Arizona banking. **Tony Hannigan**, Industry Specialist, **Brian Schafroth**, Senior Industry Specialist, **Heather Usiski**, Principal Industry Specialist, **Michael Matson**, Credit Analyst, **Lacricia Shaw**, Business Associate, **Sandra Miller**, Business Associate, complete the Government Banking team with the background and experience to provide outstanding tailored products and services to government entities.



Wells Fargo Bank, N.A



Why Choose Wells Fargo



Executive Summary...

Why Choose Wells Fargo?



Wells Fargo is pleased to present our Proposal for Bank Servicing Agreement to the Town of Clarkdale. This proposal highlights Wells Fargo's wide variety of products and services, while outlining our fundamental strengths, unique corporate culture and our customer driven approach to banking.

This proposal brings numerous benefits, many of which are available only through Wells Fargo. These benefits include:

Unrivaled Performance: America's Highest Rated Bank – Wells Fargo is the only AA+ rated bank in the United States! This level of financial soundness is rare in today's financial environment due to our strong earnings diversification, excellent sales and service culture, and diversified financial services.

Commitment to the Arizona Government Market - We have a large statewide Government Banking Division serving counties, cities and towns, school districts, universities and community colleges, as well as sanitary, water and fire districts. The division is focused exclusively on the needs of Arizona's government entities which enables us to provide government market expertise unmatched by any other bank in Arizona.

A Team of Professionals Focused on the Banking Needs of The Town of Clarkdale – The Town has a team of key bankers dedicated to the implementation and ongoing servicing of the Town's banking products and services. From your overall Relationship Manager, Client Services Manager, Treasury Management Representative, Merchant Relationship Manager, and the numerous other individuals involved in your relationship, The Town of Clarkdale has our complete attention and commitment.

Leading Technology – Wells Fargo is the first, the oldest, and the best Internet online financial services provider in the United States. Wells Fargo is recognized nationally for its technology excellence "ranked the #1 Internet bank" by Global Finance, and "Best of the Web" by Forbes Magazine.

By choosing Wells Fargo, the Town of Clarkdale will be selecting a technologically progressive, yet locally managed, financial services provider with an in-depth understanding of the unique requirements of your Town .

Wells Fargo Bank, N.A



Wells Fargo's Outstanding Reputation



Outstanding Reputation

Fortune

World's 14th Most Admired Company (3/09)

Barron's

Among World's 25 Most Respected Companies (2/09)

Forbes

One of America's Best Big Companies (12/08)

Top 100 Best Companies in the World (4/09)

Office of the Comptroller of the Currency

"Outstanding" for Community Reinvestment Act performance (Wells Fargo Bank, N.A.) (11/09)

BusinessWeek

Best Places to Launch a Career (9/09)

America's #2 Most Generous Corporate Foundations (1/10)

Newsweek

America's #1 Green Bank and #13 Greenest Big Company (9/09)

Brand Keys

#1 Bank Brand in Customer Loyalty Engagement Index (2/10)

Environmental Protection Agency

Among Top 20 Green Power Partner Companies (4/09)

Human Rights Campaign

Perfect Score of 100 on Corporate Equality Index (9/09)

LATINASTyle Magazine

Top 50 Best Companies for Latinas (8/09)

DiversityInc Magazine

Top 50 Companies for Diversity (3/09)

- Top 10 Companies for Latinos
- Top 10 Companies for Asian Americans
- Top 10 Companies for Recruitment & Retention
- Top 10 Companies for Lesbian, Gay, Bisexual, and Transgender Employees

CRO (Corporate Responsibility Officer) Magazine

Among 100 Best Corporate Citizens (3/09)

United Way of America

Community Impact and Community Volunteerism (5/09)

Summit Awards for Community Impact and Community Volunteerism (5/09)

Together we'll go far



Wells Fargo Bank, N.A



**Wells Fargo's Ability
and Experience
Related to the
Programs and
Services Proposed
to the Town of
Clarkdale**

Wells Fargo's Ability and Experience Related to the Programs and Services Proposed to the Town of Clarkdale

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a serif font, enclosed within a dark rectangular border.

Wells Fargo is a diversified financial services company providing banking services for more than 70 million customers through 10,000 stores, the Internet and other distribution channels across North America and internationally. We are headquartered in San Francisco, but we're decentralized so that every Wells Fargo/Wachovia store is a headquarters for satisfying all of our customer's financial needs.

Local Service Supported with National Resources

Wells Fargo offers The Town of Clarkdale a local bank with local management staffed by professional Arizona bankers. As part of Wells Fargo corporation, we give you access to the products, services and expertise of one of the country's top financial institutions. This combination means that you get the best of both worlds: local service and support with national resources.

Nationally, Wells Fargo has \$1.2 trillion in assets and more than 281,000 team members. We're one of the United States' top 40 largest private employers. We are ranked 4th in assets and 2nd in market value as of December 31, 2009 among our banking peers. Wells Fargo is the only U.S. bank rated AA+.

Extensive Government Expertise

Wells Fargo Corporation and Wells Fargo Bank in Arizona has extensive experience in serving governmental entities including counties. Wells Fargo provides banking solutions for counties, cities and towns, major universities and community college districts, school districts, charter schools, state and federal agencies, and special purpose districts. We have been serving government clients throughout the U.S. for over 50 years.

Our Product is Service

Our value-added benefit is financial advice and our competitive advantage is our people. The talent of our people and their sound financial advice, along with the quality of our service, helps our customers achieve financial success.

We distinguish ourselves from our competitors in two very important ways. First, we are advocates for our customers and they are at the center of everything we do.

"We focus on how people do what they do, not just what they are doing. This is the key principle behind building tools and improving processes." Steve Ellis, Executive Vice President, Wholesale Banking.

Second, we want to understand our customers' needs so well, and give them such sound advice, that they become financially successful.

Wells Fargo's Ability and Experience Related to the Programs and Services Proposed to the Town of Clarkdale

The Wells Fargo logo, consisting of the words "WELLS" and "FARGO" stacked vertically in a serif font, enclosed within a dark rectangular border.

Our People Make the Difference

Government organizations often have unique needs and requirements that differ from traditional business customers. To address these situations, Wells Fargo Bank formed the Government Banking Division within the Specialty Markets Group.

We bring an exceptional combination of local relationship management expertise and national product leadership to The Town of Clarkdale. The Government Banking Division's dedicated team of local bankers provides an invaluable resource to your Town.

Partnering with a Technology Innovator

By harnessing the power of technology, Wells Fargo is the Town's partner in becoming the "Town of the future" by developing and maintaining state-of-the-art electronic services. Technology enables you to control when, where and how you want to be served. We offer the Town a value-added, integrated, multi-channel solution for banking services.

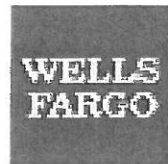
With Wells Fargo as a partner, the Town has the ability to use current and future technology to increase internal efficiencies and provide new services and conveniences.

Wells Fargo is the first, the oldest and best Internet on-line financial services provider in the U.S., with more services being offered to a broader group of consumers and businesses than any competitor. Wells Fargo is nationally recognized for our technology excellence, including the following honors:

- Global Finance recognized Wells Fargo for the Top Consumer Internet Bank in the United States in 2009.
- Forbes rated Wells Fargo as One of America's Best Big Companies in 2008 and Top 100 Best Companies in the World in 2009.
- Fortune rated Wells Fargo World's 14th Most Admired Companies in 2009.
- In 2008, Wells Fargo was also awarded a CIO 100 award for excellence and innovation in IT from CIO Magazine for the fourth consecutive year.
- Desktop Deposit was a CIO 100 Winner Honored by CIO Magazine in 2006, the Wells Fargo Desktop Deposit service is recognized for innovative use of IT for the benefit of customers.
- #1 Bank Technology Innovation of 2009 by Bank Technology News.
- #1 Corporate Website for Technology Innovation for 2009 by the Brookings Institution.

The reengineering of Wells Fargo's customer portal begins and ends with the needs of our customers. The next generation of on-line banking will center on delivering information to customers, who will be empowered to arrange and rearrange on-line portals, in order to do their jobs faster and more efficiently.

Wells Fargo Bank, N.A



Response to Notice of Bid



TOWN OF CLARKDALE

NOTICE OF BID BY THE TOWN OF CLARKDALE TO FINANCIAL INSTITUTIONS

Date: April 21, 2010

The Town of Clarkdale is receiving bids from an interest bearing savings account as required in Arizona Revised Statutes (A.R.S.) Section 35-323.

Currently, the Town has approximately \$5,000,000 to invest in interest bearing savings accounts. The total amount of funds is not guaranteed, as they will fluctuate as funds are needed by the Town.

All funds need to be collateralized.

Wells Fargo Bank, National Association (depository) conforms to the provisions of the Arizona State Statute. Each Public Funds customer is separately insured by FDIC insurance in the amount of \$250,000 in the aggregate for all time and savings deposits and up to \$250,000 in the aggregate for all demand deposits. Wells Fargo collateralizes uninsured balances by pledging securities from its investment portfolio. This portfolio consists primarily of government agency securities and collateralized mortgage obligations.

Although the Federal Reserve Bank is not our preferred partner they may serve as the custodial agent for your relationship at your request.

Our preferred custodial partners include Wells Fargo Bank Northwest, National Association and Bank of New York. Wells Fargo Bank Northwest, National Association is an independently chartered legal banking entity that acts in a separate capacity as custodian. Bank of New York may provide custodial services as another option. These institutions are leaders in their fields and provide exceptional products and services.

Wells Fargo Bank, N.A. is responsible for monitoring and controlling the individual collateral requirements of a Public Funds customer daily. The Public Funds customer requiring collateral, Wells Fargo Bank, N. A., and the municipal entity execute a Depository Pledge Agreement.

The custodian provides safekeeping receipts as new securities are pledged. Pledge Reports are provided whenever there is a change to the collateral and at month end.

Benefits to you are:

- ❖ This group will monitor your deposit balances on a daily basis and will make changes to the collateral as needed i.e. when a change in collateral is made, an updated pledge report will be sent to you. This will eliminate the need for you to request pledging changes as your balances increase or decrease.
- ❖ You will receive a monthly report of the securities pledged, including the current market value.
- ❖ Audit requests for confirmation of pledged securities mailed directly to this group will be handled promptly.

The submitted bid will be evaluated based upon the following:

1. Rate of Interest offered

The interest rate on the Wells Fargo Exception Savings account is market driven and is currently earning .50%. Further, interest is compounded daily and paid monthly.

2. Whether the bid is for all or a portion thereof

The rate quoted in the previous question applies to all funds deposited in The Town of Clarkdale's Wells Fargo savings account.

3. Monthly service fees

No monthly service fees will apply to Town of Clarkdale's savings accounts.

4. Number of deposits/withdrawals allowed monthly

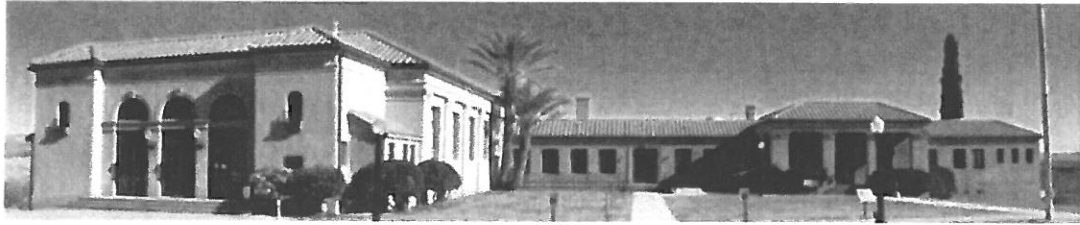
There is no restriction on the number of deposits and withdrawals the Town can make. However, regulation D restricts the Town to 6 online transfers per month.

5. Any additional fees (deposit fees, electronic transfers, ect.)

No additional fees apply.

6. Opening/minimum balances

The minimum balance required to open an exception rate savings account is \$10,000.



Proposal For
Interest Bearing Account
May 2010



Presented By



National Bank
O F A R I Z O N A

May 6, 2010

Town of Clarkdale
Attn: Kathy Bainbridge, Town Clerk / Finance Director
P.O. Box 308
Clarkdale, AZ 86324

Dear Ms. Bainbridge:

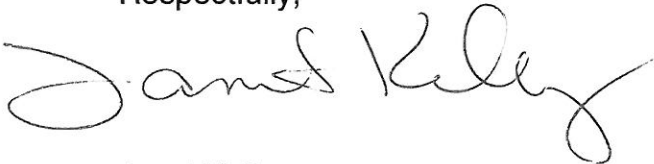
National Bank of Arizona is honored to have this opportunity to present this proposal to the Town of Clarkdale. We appreciate your consideration of National Bank of Arizona for your banking services and believe that the Town of Clarkdale will benefit from a banking partnership with National Bank of Arizona.

Our commitment to the Town of Clarkdale is to be **Responsive**. Our advantage is our local expertise starting with Janet Kelly, Branch Manager, Danielle Lodmell, Personal Banker Specialist and Beverly Newton, Operations Supervisor.

Our commitment is to pay very close attention to your account relationship. My job is to ensure your accounts are performing correctly and to continue to **add value** to your relationship with National Bank of Arizona by providing you access to quality customized products at competitive prices.

Thank you again for this opportunity to present our recommendations on banking services for the Town of Clarkdale. We look forward to addressing your specific banking needs.

Respectfully,

A handwritten signature in cursive script that reads "Janet Kelly".

Janet Kelly
Branch Manager



National Bank
O F A R I Z O N A

Executive Summary

Since 1984, NBA has been Arizona's premier business banks – priding ourselves on personal, one-on-one relationship banking. National Bank of Arizona has the quality services, sound financial strength and excellence in customer service necessary to meet and exceed the needs of the Town of Clarkdale both now and in the future.

Our history ...

In 1984, our vision became a reality - to build a bank committed to providing one-on-one relationship banking for Arizona's growing businesses. Through the years, we have established a pattern of success and have left our mark on the communities we serve and on the thousands of businesses we've helped build over the years. Our founding vision still stands as the cornerstone for our future, but that cornerstone now bears our mark of experience.

Our rapid growth and statewide expansion enable us to offer a full range of financial services in communities across Arizona. National Bank of Arizona is playing an important part in financing Arizona's growth by providing the best banking services possible, to individuals, as well as businesses.

National Bank of Arizona has emerged from a start-up community bank to become a full-service financial institution focused on helping customers achieve their maximum potential.

Today, National Bank of Arizona with over \$4.8 billion in assets has 75 offices in 55 communities throughout Arizona. Our bank is recognized for its superior customer service and commitment to servicing the needs of businesses and individuals throughout Arizona.

With thousands of business, professional and personal clients, NBA's solid loan portfolio and substantial deposit base offer the strength and stability essential to help our customers achieve their ambitions.

Our strength is in our employees (approx. 1200 statewide) and their dedication to building businesses and better lives for our customers. We believe in making extraordinary things happen. It's what we do every day and what we will continue to do into the future.

Ownership: National Bank of Arizona is a wholly owned subsidiary of Zions Bancorporation, headquartered in Salt Lake City, Utah.

Our Core Values

National Bank of Arizona's core values are at the heart of our brand dimensions and define how we do business each and every day. These values that we embrace enable us to fulfill our brand promise to our customers...we've been there, we'll be here.

We are **True Partners** with all stakeholders.... shareholders, customers, employees and the local community. We're consistent, dependable and honest. We blend the best interests of the bank, its customers and employees to ensure the best possible solution.

We believe that a *True Partner* is a friend and coach to customers and employees.

A **Can-Do Attitude** is the appropriate response to a customer's need. We are empowered to create custom solutions through local decision-making and will work together to create a winning work environment. Our employees are motivated and portray a sense of vitality and urgency.

Our staff is **Genuine & Approachable**. We demonstrate a willingness to get involved in the best interests of customers and other employees. We are respectful, straightforward, friendly and trustworthy. *Genuine & Approachable* is the personality of the bank, the guiding behavior of employees and the tone of all communications.

We know the value of experience. We understand that **Business Savvy** is essential to providing a unique banking experience. We base our business decisions on a depth of Arizona expertise and an understanding of the market drivers unique to this state. It's this value that permits local decision-making, separating our bank from the competition and delivering a unique Arizona character.

Our Pledge

- To be **True Partners** with our customers and employees.
- To respond to customer needs with a **Can-Do Attitude**.
- To always be **Genuine and Approachable** when dealing with customers and employees.
- To demonstrate **Arizona Business Savvy**.

Relationship Team

Janet Kelly

Branch Manager (Cottonwood Branch)

Phone: 928.340.1022

Fax: 928.340.1021

E-mail: Janet.Kelly@nbarizona.com

Cottonwood Branch Additional Points of Contacts

Phone: 928.340.1020

Fax: 928.340.1021

Danielle Lodmell

Personal Banker Specialist

E-mail: Danielle.Lodmell@nbarizona.com

Ashley Funkhouser

Personal Banker

E-mail: Ashley.Funkhouser@nbarizona.com

Beverly Newton

Client Services Manager II

E-mail: Beverly.Newton@nbarizona.com

Additional National Bank of Arizona Locations

Camp Verde Branch

563 West Finnie Flats Road

Camp Verde, AZ 86322

Rimrock

3675 East Beaver Creek Road

Rimrock, AZ 86335

Prescott Valley Branch

2825 North Glassford Hill Road

Prescott Valley, AZ 86314

Iron Springs Branch

1055 Iron Springs Rd.

Prescott, AZ 86305

Sedona Branch

1470 W. Highway 89-A

Sedona, AZ 86336

Gurley Street Branch

102 West Gurley St.

Prescott, AZ 86301

Chino Valley Branch

1299 North Highway 89

Chino Valley, AZ 86323

Town of Clarkdale Account Proposal

At National Bank of Arizona, our primary goal is to ensure we provide exceptional service and value to the Town of Clarkdale. After reviewing your request we recommend the following interest bearing account to meet you needs:

PUBLIC FUNDS MONEY MARKET (COLLATERALIZED)

1. RATE OF INTEREST OFFERED:

Rate Tiers are as follows:

\$250,000 OR MORE	.20% APY	.20% RATE
\$100,000 - \$249,999	.10% APY	.10% RATE
\$50,000 - \$99,999	.10% APY	.10% RATE
\$1 - \$49,999	.10% APY	.10% RATE

- Tiered interest rates based on collected balance ranges (No interest earned for amounts <\$1.)
- Rate Tiers are as follows:
 - \$250,000 OR MORE
 - \$100,000 - \$249,999
 - \$50,000 - \$99,999
 - \$1 - \$49,999
- The rate and APY may change at any time at the bank's discretion
- The APY assumes interest remains on deposit for 1 year. A withdrawal will reduce earnings
- Interest compounded and paid monthly
- Accounts closed prior to interest paying will forfeit accrued interest
- The daily balance method is used to determine the minimum balance in the account
- The daily collected balance method is used to calculate the interest on the account. This method applies a daily periodic rate to the collected principal balance in the account each day

2. WHETHER THE BID IS FOR ALL OR A PORTION THEREOF:

The bid is for all deposits as related to the Notice of Bid by the Town of Clarkdale to Financial Institutions

3. MONTHLY SERVICE CHARGES:

\$10.00 per month if daily balance falls below \$1,500
\$10.00 per limited transaction in excess of six

Recommended Services

NB | AZ Business Online Banking

National Bank of Arizona puts you in control of your company finances the most convenient way – online. Advanced security helps protect your financial information while keeping you connected to your company's finances anytime, anywhere.

Business account customers will receive Online Banking free of charge, up to 500 viewable transactions per Online Banking relationship. Viewable transactions in excess of 500 will be assessed \$.20 per viewable transaction. Electronic bill pay is free of charge.

NB | AZ In Group Banking

National Bank of Arizona offers you personal banking benefits through our In Group Banking program. As a valued employee of a participating business, you are eligible for a banking package designed specifically for your individual banking needs.

4. NUMBER OF DEPOSITS / WITHDRAWALS ALLOWED MONTHLY:

No more than six (6) transfers from the account may be made during a monthly account cycle by pre-authorized debit, telephone transfer (including data transmissions by computer or other electronic device), automatic transfer payable to a third party (except loan payments made to the bank, or delivered by bank courier), check, draft or Point of Sale (POS) transactions. Withdrawals made in person, by ATM, or by courier are unlimited.

Federal law requires that we notify the customer if the limits addressed above are exceeded. For purposes of the transaction limitation, we count checks as of the date we post them to the account, not as of the date customers write them. If customer continues to exceed the account limits, the account will be closed or converted to a non-interest bearing checking account, or if they qualify, an interest bearing checking account which may have different interest rates.

5. ANY ADDITIONAL FEES (deposit fees, electronic transfers, etc)

Not Applicable

See Schedule of Fees and Service Charges for additional services available

6. OPENING / MINIMUM BALANCES:

- \$1,000 minimum opening deposit
- \$1,500 minimum daily balance to avoid minimum balance fee of \$10

FEATURES:

- Available to government, political and state agencies
- Monthly statement

May 6, 2010

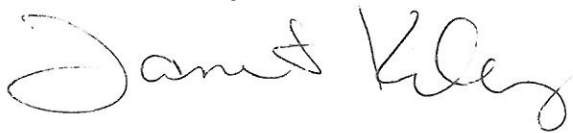
Dear Ms. Bainbridge,

We greatly appreciate the opportunity to work with you and the Town of Clarkdale. Below is an outline of our commitment to you and your organization.

- Our commitment to partner with you will consist of monthly reviews of your account(s) to ensure you are receiving the best value and services from National Bank of Arizona.
- Local expertise in Arizona to handle all of your banking needs.
- Dedicated Branch Manager Janet Kelly, and secondary point of contact Operations Manager, Beverly Newton.
- Committed team to service your relationship.
- On site account opening for your employees, if desired.
- National Bank of Arizona upholds the highest degree of confidentiality with all information received and discussed.
- We appreciate the opportunity to build our relationship with you and your employees.

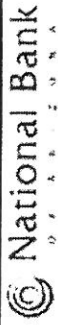
We look forward to hearing from you soon. If you require additional information or have any questions, please feel free to give us a call.

Thank you,

A handwritten signature in cursive script, appearing to read "Janet Kelly".

Janet Kelly
928.340.1022

Beverly Newton
928.340.1023



Schedule of Fees and Service Charges Commercial Accounts

Effective January 1, 2010

Account Activity Printout (per page)	\$2.50
Account Reconciliation	Custom
Additional Statement	\$5.00
Cancelled Check Return Fee (service no longer offered)	\$10.00
Cashier's Checks	
Customer	\$5.00
Non-Customer	\$8.00
Charge Back (Merchant)	\$3.00
Check Copy Fee	\$10.00
Branch Cash Services	
Coin (Deposited)	
Standard Bag	\$4.00
Mixed/Non-Standard Bag	\$15.00
Coin Order - Full Box	\$2.50
Outgoing Rolled Coin	\$0.15
Coin Order - Partial Box	\$4.50
Outgoing Rolled Coin	\$0.15
Currency Deposited per \$100	\$0.15
Currency Order - Full Strap	\$3.00
Withdrawn per \$1,000	\$1.00
Currency Order - Partial Strap	\$4.00
Withdrawn per \$1,000	\$1.50
Cash Vault Services	Per Custom Quote
Daily Overdraft Fee	\$5.00
Fee is charged daily after 5 th consecutive calendar day of overdraft	
Deposited Item Return Fee	\$5.00
Deposited Item Return - Special Handling	\$10.00
Dormant Account (per month)	\$5.00
Domestic In/Out Collection Fee	\$25.00
Early Closure Fee (if closed within first 90 days)	\$25.00
Fax Fee	\$4.00+.50/page
FDIC Insurance, per \$100 of average ledger balance	Call for Current Rate
Fine Sort	Custom
Foreign Exchange (National Bank Customers Only)	
Buy Checks drawn on foreign banks in foreign currency	No Charge
Buy Checks drawn on foreign banks in U.S. currency	\$25.00
Buy Currency	No Charge
Sell Currency	1% of \$U.S. amount/max. \$10.00
Sell Drafts (other than qualified traveler's or Canadian cheques)	\$15.00
Garnishment	\$75.00
Insufficient Funds Fee-Item (Pd.)	\$32.00
Fee applies to Checking and Interest Bearing Accounts	
Insufficient Funds Fee-Item (Rt.)	\$32.00
Fee applies to Checking and Interest Bearing Accounts	

Interim Statement Fee	\$5.00
International In/Out Collect Fee	\$40.00
Internet Banking	
Bill Pay	No Charge
Online Access (up to 500 transactions per Internet Banking relationship)	No Charge
Online Access (over 500 transactions per Internet Banking relationship)	\$0.20 each
PFM Access (Quicken, Quickbooks, Money, etc.)	\$4.95
PFM Access with Bill Pay (Quicken, Quickbooks, Money, etc.)	\$9.95
Small Business Payroll	\$14.95
(up to 25 payroll transactions; \$1.00 each additional)	
Small Business Tax Payments	\$4.95
Levy	\$75.00
Mishandled Account	\$50.00
Overnight Card Delivery	\$30.00
Research Fee (per item)	\$3.00
Safe Deposit Box Fee	

Box sizes listed are not available at all branch locations. Contact your local branch for box availability.

2x5	\$16.00	4x10	\$50.00	8x20	\$200.00	15x10	\$140.00
2x10	\$27.00	5x10	\$50.00	9x10	\$90.00	15x15	\$185.00
3x5	\$21.00	5x16	\$80.00	10x10	\$90.00	15x24	\$260.00
3x10	\$35.00	6x10	\$60.00	10x20	\$135.00	15x32	\$370.00
4x5	\$20.00	7x10	\$65.00	11x13	\$125.00		
5x5	\$29.00	8x10	\$80.00	12x12	\$75.00		

Statement Copy

Less Than 6 Months Old	\$5.00
Over 6 Months Old	\$10.00
Stop Payment	\$30.00
Subpoena	\$50.00
Traveler's Cheques	
Express Pacs	2% of face amount
Cheques for Two	2% of face amount
Gift Cheques	\$2.50
Uncollected Funds	Prime + 4%
Wires (National Bank Customers Only)	
Domestic Incoming	\$10.00
Domestic Incoming with Email Notification	\$11.00
Domestic Incoming with Fax Notification	\$13.00
Domestic Outgoing	\$20.00
Domestic Outgoing with Email Notification	\$22.00
Domestic Outgoing with Fax Notification	\$25.00
International Incoming	\$30.00
International Outgoing	\$40.00

1 FDIC fee applies to analyzed checking products